

## MINUTES ADOPTED BY CITY COUNCIL

Greenville, NC  
March 11, 2004

The Greenville City Council and Greenville Utilities Commission met in joint meeting on the above date at 5:00 PM in the Board Room of the Greenville Utilities Commission Building, with Mayor Parrott and Chairman Jenkins presiding. The following were present.

### City Council Members

Mayor Robert D. Parrott  
Mayor Pro-Tem Ric Miller  
Council Member Mildred A. Council  
Council Member Ray Craft  
Council Member Pat Dunn  
Council Member Rose H. Glover  
Council Member Chip Little  
Marvin Davis, City Manager

### Commission Members

Chairman Chris Jenkins  
Vice Chairman Bryant Kittrell  
Commissioner Marvin Davis  
Commissioner Lynn Evans  
Commissioner Faye Taylor  
Commissioner Clifton Hickman  
Commissioner Wayne Powell  
Ronald Elks, Assistant General Manager

Commissioners Absent:      Commissioner Louis Zincone

### CALL TO ORDER

Mayor Parrott called the City Council to order and ascertained that a quorum was present.

Chairman Jenkins called the meeting to order and ascertained that a quorum was present.

### APPROVAL OF AGENDA

Motion was made by Mayor Pro-Tem Miller and seconded by Council Member Little to approve the agenda as presented. Motion carried unanimously.

Motion was made by Commissioner Hickman and seconded by Commissioner Powell to approve the agenda as presented. Motion carried unanimously.

## PRESENTATION BY DERRICK AND ASSOCIATES REGARDING PAY PLAN ANALYSIS

At a joint meeting held on September 16, 2003 concerning employee health insurance coverage, the Boards took action to authorize a study to analyze the pay and benefits of employees for Greenville Utilities Commission and the City of Greenville to determine how they were being compensated in relationship to the market. The staff contacted Mr. Bob Derrick of Derrick and Associates for a proposal. Mr. Derrick worked with the City and Greenville Utilities Commission by conducting the last classification and pay plan in 1999. It was felt that he was familiar with both organizations and had the basis of pay within his database. After discussions with Mr. Derrick, he indicated he did not desire to undertake the benefits analysis, as he did not have a database for comparison. A proposal was then solicited from Aon Consulting for this benefits benchmarking. Aon has an office in Raleigh and a national database with various sized organizations. The company has previously performed work for the City and Greenville Utilities Commission. On February 11, a meeting of the joint Greenville Utilities Commission/City pay/benefits committee was held to review these proposals and the scope of work. After discussion, the committee unanimously endorsed the proposals. In an effort to get the results back to the boards in April as part of budget deliberations, the two firms were authorized by the City Manager and General Manager to begin work. The cost of the pay plan update will be \$15,000 and the benefit work will be \$10,000, for a total of \$25,000 to be split between Greenville Utilities Commission and the City.

Mr. Bob Derrick of Derrick Associates stated that he worked with both organizations in 1998 to complete a pay study. The intent now is for a comprehensive update of the pay program that was implemented in 1999. The intent is to develop an updated compensation program that would support the overall pay philosophy from the standpoints of internal equity and the desired competitive pricing posture within the external marketplace. The process would involve an examination on how comparative the City and Greenville Utilities Commission are in relation to several markets. There are two job groupings, the non-exempt and the exempt. The non-exempt employees are hourly and eligible for overtime. These positions are predominately local market jobs. When recruiting for these positions, the market is a localized county or adjoining county area. The exempt employees are supervisors and higher technical positions, managers, middle-managers, and beyond. The market increases with statewide or southeast recruitment areas. All these areas are going to be reviewed and evaluated to see where Greenville Utilities Commission and the City are in the marketplace. Mr. Derrick would then come back to the Boards with recommendations on where they should be and some options to achieve that. For the non-exempt positions, summary information will be more localized using for-profit and not-for-profit employers. For the exempt positions, this will be broadened and the City will be using the League of Municipalities data, and Greenville Utilities Commission will be using the American Public Power Association data. These are the same benchmarks that were used five years ago. Southeastern data will be used for the middle to higher-level exempt positions. Derrick Associates will help the City and Greenville Utilities Commission look at their plans and where those plans are within the current marketplace. Graphic market models will be brought back to the City and Greenville Utilities Commission so that a determination can be made of the exact competitive posture of the current base pay levels within the defined market areas. These graphic comparisons will be configured to present pay as a function of job content in order to accurately consider competitive pay placement (and value system for comparable skill level)

within the market data. Mr. Derrick concluded by stating that he will be bringing back an analysis in April of where the organizations are in light of the market data. He will also recommend a desired pay strategy and updated pay ranges for consideration.

Council Member Little asked if the private and public sector would be used when doing the comparisons.

Mr. Derrick replied that, in his opinion, they use exactly the same skills and talents the private sector does as well as the public sector. They are in competition with all employers. The data that is utilized will come from a mixture of public and private – real world data.

Council Member Dunn asked if this study would be for salaries only and not other compensation.

Mr. Derrick stated that it would be for cash compensation only.

Council Member Little stated that he thought the entire package was going to be looked at.

City Manager Davis stated that they will be looking at the whole package. Aon Consulting is doing the benefits benchmark. These are two specialties in different areas. Both of these analyses will be done very close, if not at the same time, together so that these two groups can put them side-by-side for comparison. Benefits benchmarking is really a specialty area and Derrick Associates does not have a database for that. There are firms that deal with that and collect that type of information and have databases. The firm that the City and Greenville Utilities Commission have contracted with has a very strong database in that area. If there are specific things that the Boards wanted Mr. Derrick to look at, the Managers need to know.

Council Member Dunn asked what the timeframe would be.

Mr. Derrick stated that there is a tentative meeting scheduled on April 20 and he would be working to have the results at that time.

City Manager Davis reported that the joint compensation committee has a meeting scheduled a week before that so that the committee can have some preliminary discussion.

#### INFORMATION REGARDING BENCHMARKING OF BENEFITS

The City and Greenville Utilities Commission would like Aon Consulting to benchmark its benefit plans against national and regional normative data. The purpose of this project is to determine if the current benefit plans sponsored by the City and Greenville Utilities Commission are competitively designed to attract and retain the best, and most committed employees.

Ms. Gerry Case, Human Resources Director for the City of Greenville, reported that Aon Consulting is a specialty firm in benefits. The only project that Aon will do is benchmark. They have a huge database. Staff has sent them information regarding leave policies, retirement system, health insurance, dental, and life insurance. They will key this information into their database and then they will be able to benchmark where the City and Greenville Utilities'

benefits are in comparison to other employers. Their data is broken down into employer size and type of industry. This firm is very well known in North Carolina. They will have about the same timeframe to get their report back as Derrick Associates. Hopefully, both reports will be back at about the same time.

Council Member Little asked how the two different analyses will be put together.

City Manager Davis responded that staff will have to do some blending and matching of the reports. There will be tremendous amounts of information that these two companies will provide. After this information has been presented, both in written plans and to the Boards, the information will be blended or matched. Bob Derrick will tell the groups what the options are with different places in the market and staff will take that information and blend it together in one package and present alternatives to the Boards. One firm could not provide all of the information because they are specialty firms.

#### INFORMATION AND DISCUSSION – PRESENT POLICY OF ADVANCED SICK LEAVE AND DISCUSSION OF SHARED SICK LEAVE

City Manager Davis stated that the advanced and shared sick leave was discussed at the last joint meeting for staff to review. The joint compensation committee has met and discussed this item.

Ms. Case summarized the advanced and shared sick leave policy. The advanced sick leave program is currently in place for both organizations and is a valuable benefit for employees with serious, prolonged illnesses. The program extends paid sick leave to eligible employees based upon years of service. An employee with 5 years of service is eligible for up to 30 days of extended leave, while an employee with 30 years of service could receive up to 180 days. The eligibility criteria include exhausting all accumulated sick/vacation time, no history of sick leave abuse, good possibility of return to work after the leave, and department head recommendation. Workers' compensation cases do not qualify since these individuals receive wage benefits from the insurance carrier. The voluntary shared leave programs are designed around two main models. One model provides sick leave from a pool. Employees must sign up for the program annually and donate a set amount of personal sick leave to the pool in order to receive any shared sick leave. Employee eligibility to receive any additional leave is the same as the current Greenville Utilities Commission/City program. In the other model, individual employees donate personal sick leave to another individual employee. Cities are moving away from this model and toward the general pool concept for more consistency/fairness and to eliminate claims of undue "pressure" to donate time. Well-known, well-liked employees tend to benefit from the personal donation model, but those employees who are not as popular do not. In a meeting of the joint Greenville Utilities Commission/City Compensation Committee on February 11, 2004, the issues of employee advanced leave and voluntary shared leave were considered. After discussion, it was recommended that the current advanced sick leave program be retained in lieu of substituting it with a voluntary shared leave program. All cities contacted had one of these two sick leave programs, but Greensboro was the only city that had both programs. It was the committee's recommendation to retain the current advanced sick leave program.

Commissioner Hickman asked what happens if an employee does not come back to work.

Ms. Case stated that the purpose is to try and provide leave to an employee who does anticipate returning to work.

City Manager Davis stated that if an employee is going to be permanently out of work then they will start the disability/retirement process very quickly and work to that end. There has not been a situation where staff has not been able to help someone or a large number of hours have been left in arrears. No adverse situations have resulted with this process.

Assistant General Manager Ron Elks stated that there have not been many employees to use this program. This is not something that happens a lot.

Ms. Case pointed out that this is advanced sick leave only.

City Manager Davis pointed out that the amount of advanced sick leave that an employee can receive varies with their years of service from 30 days to 180 days. This policy can come into effect after an employee has used all of their “traditional leave.”

Ms. Case stated that if an employee exhausts all of their personal sick leave, all of their personal vacation leave, and all of their advanced leave, then the employee goes on leave without pay. That has never happened because the employee either returned to work or filed for disability/retirement. In one case, the employee died.

Mayor Pro-Tem Miller asked what the employee policy for earning sick leave is.

Ms. Case stated that employees earn eight hours a month of sick leave.

Mayor Pro-Tem Miller suggested that Greenville Utilities Commission and the City fund the short-term disability premium with City and Greenville Utilities Commission funds and change the sick leave policy to provide seven days a year that do not roll over. Disability would pay and then the City nor Greenville Utilities would have to advance someone 180 days or whatever they need. He suggested that the committee look at this option. The premiums on the short-term disability will probably be less than what is now being paid for sick leave.

Ms. Case stated that an employee’s sick leave is tied with the retirement system in North Carolina. Upon retirement, for every 20 days of sick leave, an employee gets another month of credit for their retirement service. Staff would have to work with the retirement system to make sure employees are not penalized.

#### CONSIDERATION OF LAND TRANSFERS BETWEEN THE CITY OF GREENVILLE AND GREENVILLE UTILITIES COMMISSION

Mr. Tom Tysinger, Director of Public Works, stated that the City has been working with Richard Johnson of The East Group to develop a plan for the current and future administrative and support needs for the City. There have been a number of workshops/meetings with the department heads and one meeting of the joint Greenville Utilities Commission/City site development committee. Recently the City Council voted to include \$9.5 million in certificates

of participation for the purpose of renovating the current City Hall and the new City Hall (Greenville Utilities Commission building). The issuance date is August 2004.

Mr. Richard Johnson made a presentation on the proposed expansion to the Greenville Utilities Commission building and renovations to City Hall.

Mr. Tysinger pointed out that The East Group is ready to move forward with the final design in order to meet the August deadline for awarding bids.

City Manager Davis stated that as The East Group has moved forward with the architectural design, the staff with the City and Greenville Utilities Commission has developed a process where the City and Greenville Utilities Commission exchange properties and land while everyone tries to remain whole. The City plans to construct a 52- space parking lot on the location of the former Lawrence Behr building (Crepe Myrtle lot). The City plans to expand the existing Greenville Utilities Commission Building on land that Greenville Utilities Commission purchased from Wachovia at the corner of Greene Street and Martin Luther King Jr. Drive. This area contains 29 parking spaces. The City staff, Greenville Utilities Commission staff, and the Joint Site Committee agree that an exchange of the existing 29 Greenville Utilities Commission spaces (fee simple) to the City for 20 spaces (fee simple) on the Crepe Myrtle lot, is a fair exchange that makes Greenville Utilities Commission whole and provides the City the opportunity to expand the existing Greenville Utilities Commission Building they have purchased. In addition to that, in exchange for Greenville Utilities Commission granting easement for the road and storm drainage and a fee simple transfer on the portion of the parking lot that extends onto the rear of the Greenville Utilities Commission lot on Arlington Blvd., the City will grant Greenville Utilities Commission an additional 10 spaces (fee simple) in the Crepe Myrtle lot at the end of 6 years or whenever the City constructs a parking deck, whichever is sooner. At that time, if mutually agreed upon by Greenville Utilities Commission and the City, then Greenville Utilities Commission may have the option of purchasing the remaining 13 lots in the Crepe Myrtle lot at appropriate market price. Greenville Utilities Commission retains ownership of the Arlington Blvd. lot and can market it if desired. Staff has tried to do swaps and exchanges that make sense for both entities as well as to try and meet the needs of both entities as much as possible.

General Manager Elks reported that staff has met on numerous occasions to work out this arrangement that gives Greenville Utilities Commission the ability to have parking for customers and employees as well as to fulfill the commitment to Wachovia. It also provides the opportunity for the City to expand their facilities. He thanked the members of the committee, Ric Miller and Bryant Kittrell, for their input and help.

Motion was made by Council Member Ray Craft and seconded by Mayor Pro Tem Ric Miller to approve the proposed land transfers between the City of Greenville and Greenville Utilities Commission. Motion carried unanimously.

Motion was made by Commissioner Powell and seconded by Commissioner Kittrell to approve the proposed land transfers between the City of Greenville and Greenville Utilities Commission. Motion carried unanimously.

### CONSIDERATION OF SETTING JOINT MEETING DATES

Motion was made by Commissioner Hickman and seconded by Commissioner Taylor to schedule a joint meeting with the City Council on Tuesday, April 20, 2004 at 5:30 p.m. Motion carried unanimously.

Motion was made by Council Member Glover and seconded by Council Member Council to schedule a joint meeting with Greenville Utilities Commission on Tuesday, April 20, 2004 at 5:30 p.m. Motion carried unanimously.

Marvin Davis pointed out that Bob Derrick of Derrick and Associates will make a presentation on April 20 and there will be a lot of information for discussion. It could be that the information is detailed and the Boards may want some consideration time and the meeting could be continued until Thursday, April 22. He advised that April 22 could be a reserve date, if needed.

### CITY MANAGER/GENERAL MANAGER REPORTS

City Manager Davis reported that financing is being sought for the proposed expansions and renovations. One of the things that Greenville Utilities Commission and the City have done is start the process to hire a financial advisor and bond counsel for financing. Because the bond ratings are together, financial underwriters look at the two organizations together and the bond rating agencies jointly rate the two groups together. The financing needs for the City are more immediate than those of Greenville Utilities Commission. Generally, these professionals work with Greenville Utilities Commission and the City on a four-year term, which is customary. Proposals have been received for a financial advisor and bond counsel. Interviews have not been held. These will be done jointly and brought back to both Boards jointly.

Assistant General Manager Elks stated that Greenville Utilities Commission staff had recently gone over the five-year plans, so staff is not ready to identify projects that will need to be taken to the bond market at this time. There are projects in the five-year plans that may move forward. It is important that Greenville Utilities Commission and the City participate jointly in the financial advisor selection process as well as the bond counsel. Staff will be coming back to the Greenville Utilities Commission Board as the budget process progresses on the debt service coverage to discuss priorities and funding. Greenville Utilities Commission staff will be moving forward with the City staff on the selection process.

Mayor Parrott pointed out that there are a lot of projects between the pay plans/benefits, buildings, debt, and budget. This is a full agenda for both Boards in the next 30 to 60 days.

### ADJOURN

Motion was made by Commissioner Powell and seconded by Commissioner Kittrell to adjourn the meeting at 6:10 p.m. Motion carried unanimously.

Motion was made by Council Member Little and seconded by Council Member Craft to adjourn the meeting at 6:10 p.m. Motion carried unanimously.

Respectfully submitted,

Wanda T. Elks, CMC  
City Clerk